



ENERGY ASSURANCE DAILY

Thursday, July 12, 2007

Electricity

Nearly 38,000 Customers Lose Power from Storms in New Jersey July 11

As a series of thunderstorms rolled across New Jersey nearly 38,000 customers lost power. The companies affected anticipated that nearly all customers would be restored by midnight. At the height of the outages, 24,600 customers of Jersey Central Power & Light and 13,000 customers of Public Service Electric & Gas were without power.

http://www.nj.com/news/index.ssf/2007/07/thousands_lose_power_in_storm.html

Ameren Announces Plans to Improve System Reliability

Ameren Corp. announced plans to upgrade systems to reduce the number and duration of outages in its service territory. Over the next three years, Ameren will allocate more than \$500 million to relocate power lines to underground cables, expand tree-trimming projects and inspect and repair poles and circuits. A number of severe storms have affected the utility during the past year cutting power to several hundred thousand customers.

Bloomberg News, 12:37 July 12, 2007

Costs Surge for Building New Power Plants on Price of Raw Materials

The president of Siemens Power Generation Group says the price of building a new coal-fired power plant has risen by 25 to 30 percent in the past 18 months. Similar increases have been seen for other types of power plants.

http://www.nytimes.com/2007/07/10/business/worldbusiness/10energy.html?_r=1&oref=slogin

Petroleum

Update: Closure of CATS North Sea Natural Gas Pipeline Cuts Crude Oil Production for ConocoPhillips and Chevron

Crude oil production for both Chevron and ConocoPhillips from the J-Block fields in the North Sea has been impacted by the shutdown on July 1, of the Central Area Transmission System (CATS) pipeline to inspect for and repair damage caused by a ship's anchor. Reuters cites a Chevron representative as saying that the outage could last for several more weeks. The exact volume of production affected is not known but recent production levels at the ConocoPhillips and Chevron fields have been between 38,000 b/d and 45,500 b/d.

Reuters, 11:16 July 12, 2007

Bloomberg News, 07:27 July 12, 2007

Update: Restart Months Away at 112,000 b/d Coffeyville, Kansas Refinery - Traders

Trade people familiar with the refinery have told OPIS that they believe it will take "two to three months" to restart the facility, which shut on July 29 due to flooding from the Verdigris River. A spokesman for Coffeyville Resources, which operates the refinery, told OPIS that all processing units at the refinery have dried since the flooding but personnel still do not have damage estimates or a restart schedule.

OPIS Price Watch Alert, 05:20 July 11, 2007

Update: BP's 250,000 b/d Crude Unit at its Whiting Refinery in Indiana to Restart July 12 – Source

Reuters quotes a source familiar with the situation as saying that BP will begin the restart of the unit on Thursday and that the unit should be back at full production sometime early next week. The unit was shut so that repairs on a small leak could be performed.

Reuters, 11:58 July 12, 2007

BP Shuts 60,000 b/d Ultracracking Unit at its Texas City Refinery in Texas July 11

According to a filing with state regulators, BP shut the unit at the 460,000 b/d refinery for repairs. Reuters cites a source familiar with the refinery as saying the unit is expected to be restarted during the coming weekend.

Reuters, 17:45 July 11, 2007

Reuters, 11:56 July 12, 2007

Lightning Sparks Fire at Sunoco's 145,000 b/d Westville, Pennsylvania Refinery July 11

The four-alarm fire broke out at 4:30 p.m. local time, when lightening struck a storage tank at Sunoco's Eagle Point refinery. The fire burned for three and a half hours before firefighters extinguished it with foam. A Sunoco spokesman told the Philadelphia Inquirer that the fire did not appear to threaten other structures at the plant.

http://www.philly.com/inquirer/local/20070712_Lightning_sparks_fire_at_refinery.html

Oil Tanker Carrying 450,000 bbls of Diesel Fuel Runs Aground Off New York City's Coney Island, No Spill Reported July 12

According to a report from the U.S. Coast Guard, although the ship, White Sea, ran aground at the entrance to the New York harbor, it is neither blocking the entrance nor leaking. The Coast Guard anticipates moving the ship tonight during the next high tide.

Bloomberg News, 11:55 July 12, 2007

<http://www.newsday.com/news/nationworld/wire/sns-ap-tanker-aground.0.2742724.story?coll=sns-ap-nationworld-headlines>

Update: Mexico Orders Security at 'Strategic Installations' After Pipeline Attacks Rebel Group Vows to Continue Campaign of Sabotage

President Felipe Calderón's has issued orders to review and reinforce security measures at Mexico's "strategic installations" after a rebel group, known as the Popular Revolutionary Army (EPR) carried out a series of attacks on oil and gas pipelines operated by Pemex. Pemex, which supplies about 1.58 million b/d of crude oil to the United States, said that its oil export capability was not affected. EPR said the recent attacks mark the beginning of a "national campaign of harassment."

<http://www.presidencia.gob.mx/en/press/?contenido=30939>

http://noticias-oax.com.mx/articulos.php?id_sec=14&id_art=54285&id Ejemplar=1477

<http://news.bbc.co.uk/2/hi/americas/6290222.stm>

Natural Gas

Qatargas 4 LNG Project to Supply 1.1 Bcf/d Primarily to Eastern United States

The Qatargas 4 project, jointly owned by Royal Dutch Shell and Qatar Petroleum, comprises upstream gas production facilities at Qatar's North Field and a 1.1 Bcf/d (7.8 million tons per year) liquefaction plant, which is currently under construction in Ras Laffan. First LNG cargoes are scheduled for delivery around the end of the decade and are intended to flow primarily into natural gas markets in the eastern United States. Shell has arranged for capacity at the Elba Island LNG import terminal as well as in the new Elba Express natural gas pipeline to receive and regasify the LNG exported to the United States.

http://www.shell.com/home/content/media-en/news_and_library/press_releases/2007/qatar_lng_agreement_11072007.html

Petal Gas Storage LLC to Hold Non-Binding Open Season for 5 Bcf of New Capacity at Salt Cavern Storage Site in Mississippi

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1025202&highlight>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices July 12, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	72.62	71.81	74.95
NATURAL GAS Henry Hub \$/Million Btu	6.66	6.30	5.66

Source: Reuters

Energy Notes

Nothing to report.

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

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<http://www.oe.netl.doe.gov/index.aspx>.

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